STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: July 14, 2006   PERSONNEL LETTER # 06-011
                                               CSU ONLY

TO: All Campuses in the Uniform State Payroll System
FROM: DON SCHEPPMANN, Interim Chief
        Personnel/Payroll Services Division

RE: **CALIFORNIA STATE UNIVERSITY BARGAINING UNIT 04 JULY 1, 2006 GENERAL
        SALARY INCREASE**

The agreement reached between the California State University (CSU) and Bargaining Unit (BU) 04
employees provides for a 2.5% General Salary Increase (GSI) effective July 1, 2006. In addition, the
salary range maximum rates of the BU 04 classes are to be increased by 5% effective July 1, 2006.
Refer to Technical Letter HR/Salary 2006-09 for further information.

A GSI Employment History (EH) mass update is scheduled to occur on Wednesday evening, July 19,
2006, to post a July 1, 2006 effective date GEN transaction. The EH Online System will be available
for inquiry and update at its normal time on Thursday, July 20, 2006 (i.e. 7:00 am- 6:00 pm).

PPSD EH UPDATE PROCESS

All employees in BU 04 are entitled to receive a 2.5% GSI effective July 1, 2006.

Employees with an appointment expiration date that is prior to July 1, 2006 will be included in the EH
mass update. Campuses can access a list of the employees via the CIRS Compendium Report H50,
Cycle 0607 under Campus Detail, General Salary Increase. Campuses must determine if the employees
are to be reappointed or separated and key enter the appropriate transactions.

Employees with a separation effective date prior to July 1, 2006 may need an adjustment to their lump
sum payments, if those payments extended beyond June 30, 2006. A GEN transaction will not be
posted. PPSD will identify the affected employees and manually adjust the lump sum payments.

Employees with a red circle rate are not included in the EH mass update. PPSD will identify the
affected employees and manually process the GSI via the GEN transaction.

Employees on NDI, Supplementing with Catastrophic Leave Donations, are eligible for the GSI. If an
employee was on NDI effective July 1, 2006 or later, the EH mass update will post the GEN transaction
and generate the new GSI rate. The mass update will also correct any subsequent transaction with the
new salary rate. However, the mass update cannot update EH records for those employees who were
on NDI prior to July 1, 2006. PPSD will identify the affected employees and manually process the
GEN transaction as well as correct any subsequent transactions.

Employees with an anniversary date of "MAX" will no longer be at the maximum salary rate due to the
above salary increase provision. The employee's anniversary date must be changed to "NONE".

PPSD will manually correct the anniversary date of the affected employees via a GENF transaction after the GSI EH mass update process is completed.

PAYROLL

The GSI will be reflected on the July 2006 master payroll. However, any EH record requiring manual processing may not be processed in time for the July Master Payroll. For these employees, an adjustment for the July 2006 pay period will be issued when the EH record is updated. Please allow ten working days from the date an employee's EH record was updated before inquiring on the employee's adjustment payments.

CAMPUS EH PROCESSING INSTRUCTIONS

Based on the update processed by PPSD, the following is a guideline for processing various EH transactions. The transaction should be key entered in the order indicated.

1.   Separations effective 06/30/06 or prior:

   a. GENV effective 07/01/06.
   b. SXX.

   If an S70 or S71 transaction for an academic employee was keyed reflecting the old salary rate, correct the separation transactions as follows:

   SXXC- enter the total amount due in Item 810, Final Settlement Pay. (Listings identifying the affected employees will be sent to the campuses.)

2.   Separations effective 07/01/06 or later, including Leave Without Pay (S49 and 565 transactions with Job Injury Code = 7), should be processed as usual with the exception identified in #3 below. Also, do not void the GEN transaction.

   If a separation transaction for an academic employee, 10/12 or 11/12 employee was keyed prior to the GEN transaction with item 810, Final Settlement Pay reflecting the old salary, correct the separation as follows:

   SXXC- enter the new total amount due in Item 810, Final Settlement Pay. (Listings identifying the affected employees will be sent out to the campuses.)

3.   Employees on NDI/Leave of Absence Without Pay as of 07/01/06 and are to separate 07/01/06 or later with lump sum vacation/extra hours (Item 621) or final settlement pay (Item 810) requested on the separation transaction:

   a. A57 or A58 effective same date as SXX and effective date hours = COB (reinstate at the old salary rate). Also, enter 'Lump Sum Only' or 'Settle Only' in item 215, EH Remarks.
   b. GEN effective the same date as the A57 or A58 transaction and effective date hours = COB (entered the GSI salary rate in Item 820, Assigned Salary Rate, HR/SA 2006-XX in Item 215, EH Remarks, and change Item 330, Anniversary Date to NONE, if applicable).
   c. SXX.

4. Leave of Absence effective 06/30/06 or prior, including 565 transactions with Job Injury Code = 7:

    a. GENV effective date 07/01/06.
    b. SXX or 565.

5. Appointments effective 06/30/06 or prior and item 450, Prior State Service = 1, 3, or 4:

    a. AXX.
    b. GEN effective 07/01/06 (enter GSI rate in Item 820, Assigned Salary Rate, HR/SA 2006-XX in Item 215, EH Remarks, and change Item 330, Anniversary date to NONE, if applicable).

6. Appointments effective 07/01/06 or later and Item 450, Prior State Service = 1, 3, or 4:

    No GEN transaction is required. However, enter the new GSI rate in Item 820, Assigned Salary Rate and HR/SA 2006-XX in Item 215, EH Remarks.

7. Reinstatements effective 06/30/06 or prior, including A57, A58, A68, and 565 with Job Injury Code = 4 (if prior status was Job Injury Code 7) transactions:

    a. AXX or 565.
    b. 715 effective same date as the A68 or 565 transaction, if applicable to change Item 330, Anniversary Date and/or Item 430, Probationary Period due to non-qualifying pay periods.
    c. GEN effective 07/01/06 (enter GSI rate in Item 820, Assigned Salary Rate, HR/SA 2006-XX in Item 215, EH Remarks, and change Item 330, Anniversary Date to NONE, if applicable).

8. Reinstatements via the A57 or A58 transaction effective 07/01/06 or later:

    a. A57 or A58 (reinstate at old salary rate).
    b. GEN effective the same date as A57 or A58 (enter the GSI salary rate in Item 820, Assigned Salary Rate, HR/SA 2006-XX in Item 215, EH Remarks, and change Item 330, Anniversary Date to NONE, if applicable).

9. Reinstatements via the A68 or 565 transactions with Job Injury Code = 4 (if prior status was Job Injury Code 7) effective 07/01/06 or later:

    a. A68 or 565.
    b. 715 effective the same date as A68 or 565 transaction, if applicable to change Item 330, Anniversary date and/or Item 430, Probationary Period due to non-qualifying pay periods.
    c. GEN effective the same date as A68 or 565 transaction (entered the new GSI rate in Item 820, Assigned Salary Rate and HR/SA 2006-XX in Item 215, EH Remarks, and change Item 330, Anniversary Date to NONE, if applicable).

10. When processing the transaction per condition #3, #7, or #9 above, audit message 9320-02 or 330-02 will be received if the employee's salary rate is below the new minimum rate or was the old maximum rate. Attach the audit messages to the PPT input document package and submit to PPSD for processing.

11. If a correction to a previously keyed 07/01/06 effective date transaction (i.e. keyed prior to the 07/01/06 effective date GEN transaction) is processed, audit message 9320-02 or 330-02 may be received. The transactions with the audit message attached to the PPT input document needs to be submitted to PPSD for processing. Refer to the PIMS Manual for out-of-sequence processing. If other audit messages are received, please contact your CSU Audit Representative.

12. Transactions not identified above, please process as usual.

If you have any questions regarding the update process or above guidelines, please contact your CSU Audit Representative.

PMAB:DW:DS